



Department of Justice

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FORMER EMPLOYEE OF FLORIDA PROPERTY MANAGEMENT COMPANY PLEADS GUILTY TO WIRE FRAUD

WASHINGTON — A former residential sales manager at a Florida property management company pleaded guilty to wire fraud in connection with housing repair contracts for the U.S. Department of Veterans Affairs (VA), the Department of Justice announced today.

Benjamin K. Graves, formerly a residential sales manager at West Palm Beach, Fla.-based Ocwen Loan Servicing LLC, pleaded guilty today in U.S. District Court in Orlando, Fla., to wire fraud. According to the one-count felony charge filed on Nov. 12, 2010, in the Middle District of Florida, Ocwen managed foreclosed properties under contract with the VA, which guaranteed qualifying residential mortgages for veterans. Under the contract between the VA and Ocwen, if a veteran defaulted, Ocwen completed necessary repairs and re-sold the property.

According to the court document, Graves engaged in fraud by steering the repair contracts to companies affiliated with a particular contractor, in exchange for cash payments, from at least as early as January 2006 and continuing until at least as late as March 2007. The department said, in order to execute the scheme, Graves sent competitive bid information to the contractor and transmitted sham bids to Ocwen via wire communication.

The wire fraud charge carries a maximum penalty of 20 years in prison and a maximum fine of \$250,000. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Graves's guilty plea is the first to arise from an ongoing federal investigation of housing repair contracts performed under contract with the VA. The investigation is being conducted by the Antitrust Division's Chicago Field Office and the Central Field Office of the U.S. Department of Veterans Affairs, Office of Inspector General, Criminal Investigations Division, located in Hines, Ill. Anyone with information concerning suspicious activity relating to housing repairs performed under a contract with the VA should contact the Antitrust Division's Chicago Field Office at 312-353-7530 or visit www.justice.gov/atr/contact/newcase.htm.

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